



General Assembly

January Session, 2017

***Raised Bill No. 1021***

LCO No. 5263



Referred to Committee on JUDICIARY

Introduced by:  
(JUD)

***AN ACT REVISING THE UNIFORM FRAUDULENT TRANSFER ACT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 52-552i of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2017*):

3 (a) A transfer or obligation is not voidable under subdivision (1) of  
4 subsection (a) of section 52-552e against a person who took in good  
5 faith and for a reasonably equivalent value.

6 (b) Except as otherwise provided in this section, to the extent a  
7 transfer is voidable in an action by a creditor under subdivision (1) of  
8 subsection (a) of section 52-552h, the creditor may recover judgment  
9 for the value of the asset transferred, as adjusted under subsection (d)  
10 of this section, or the amount necessary to satisfy the creditor's claim,  
11 whichever is less. The judgment may be entered against: (1) The first  
12 transferee of the asset or the person for whose benefit the transfer was  
13 made, or (2) any subsequent transferee other than a good-faith  
14 transferee who took for value or from any subsequent transferee.

15 (c) If the judgment under subsection (b) of this section is based upon  
16 the value of the asset transferred, the judgment must be for an amount  
17 equal to the value of the asset at the time of the transfer, subject to  
18 adjustment as the equities may require.

19 (d) Notwithstanding voidability of a transfer or an obligation under  
20 sections 52-552a to 52-552l, inclusive, a good-faith transferee or obligee  
21 is entitled, to the extent of the value given the debtor for the transfer or  
22 obligation, to (1) a lien on or a right to retain any interest in the asset  
23 transferred; (2) enforcement of any obligation incurred; or (3) a  
24 reduction in the amount of the liability on the judgment.

25 (e) A transfer is not voidable under subdivision (2) of subsection (a)  
26 of section 52-552e or section 52-552f if the transfer results from  
27 termination of a lease upon default by the debtor when the termination  
28 is pursuant to the lease and applicable law.

29 (f) A transfer or obligation is not voidable under subdivision (2) of  
30 subsection (a) of section 52-552e or section 52-552f against an  
31 institution of higher education, as defined in 20 USC 1001, if the  
32 transfer was made or obligation incurred by a parent or guardian on  
33 behalf of a minor or adult child in furtherance of the child's  
34 undergraduate education.

35 ~~[(f)]~~ (g) A transfer is not voidable under subsection (b) of section 52-  
36 552f: (1) To the extent the insider gave new value to or for the benefit  
37 of the debtor after the transfer was made unless the new value was  
38 secured by a valid lien, (2) if made in the ordinary course of business  
39 or financial affairs of the debtor and the insider, or (3) if made  
40 pursuant to a good-faith effort to rehabilitate the debtor and the  
41 transfer secured present value given for that purpose as well as an  
42 antecedent debt of the debtor.

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	<i>October 1, 2017</i>	52-552i
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***Statement of Purpose:***

To ensure that undergraduate tuition payments made to institutions of higher education are not construed as fraudulent transfers under the Uniform Fraudulent Transfer Act.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*